

CLAIMS

1. The method for determining the net value of at least one information technology application specific to an organization having a system with a computer-based infrastructure, users thereof, support functions, and a total IT budget, comprising the steps of:

- 5 determining a user value contribution of said application as an internal user cost and an external user cost;
 determining a breakout of said total IT budget by assigning a number of select cost categories therefrom and for each such cost category determining a total budget value;
- 10 determining a breakout of staffing costs and resources by deriving a select number of staff function costs and combining said function designated costs to provide an IT budget corresponding with said total IT budget;
 determining a total value for said application by deriving an uplift factor for said application, determining a base application value with respect to said internal
- 15 user cost and then deriving the product of said base application value and said uplift factor and combining said product with said external user cost;
 determining an unavailability value for said application;
 determining a potential total loss value for said application;
 determining an inflexibility value for said application; and
- 20 determining said net value as said total value for said application less said total IT budget, said internal user cost, said potential total loss, and said inflexibility.

2. The method of claim 1 including the step of:

- 25 preparing an analysis of said at least one application including at least one of the group comprising; said net value, said breakout of said total IT budget, said breakout of staffing costs and resources, said unavailability value, said potential total loss value, and said inflexibility value.

- 30 3. The method of claim 1 in which said step of determining a user value contribution of said application derives said internal user cost as the number of internal users of said application multiplied by the internal user salary, in turn, multiplied by the percent of internal active concurrent users.

4. The method of claim 1 in which said step of determining a user value contribution of said application derives said external user cost as the number of external users of said application multiplied by the external user salary, in turn,
5 multiplied by the percent of external active concurrent users.

5. The method of claim 1 in which said step of determining a breakout of said information technology budget by assigning a number of select categories therefrom, assigns at least one said select category from the group consisting of;
10 fully loaded staff cost, hardware cost, software cost, network cost, consulting cost, and other.

6. The method of claim 1 in which said step of determining a breakout of said information technology budget includes the steps of:
15 determining internal budget splits for each said select category; and
determining budget splits for each said select category.

7. The method of claim 6 in which said step of determining a user value contribution of said application determines a said total budget value for each said cost
20 by summing said internal budget splits for each said category with respective said budget splits corresponding therewith.

8. The method of claim 1 in which said step of determining a breakout of staffing costs and resources derives said select number of staff function costs from
25 the function group comprising:
senior manager staff, new development staff, maintenance development staff, operations staff, technical staff, and other staff.

9. The method of claim 1 in which said step of determining a breakout of staffing costs and resources includes the step of deriving the gross cost of internal
30 staff for each said function of said select number of staff function costs.

10. The method of claim 9 in which said step of determining a breakout of staffing costs and resources includes the step of deriving the gross cost of staff for each said function of said select number of staff function costs.

5 11. The method of claim 10 in which said step of determining a breakout of staffing costs and resources includes the steps of:

summing the derived said gross cost of internal staff for each said function to derive a summarized internal staff gross cost; and

10 summing the derived said gross cost of staff for each said function to derive a summarized staff gross cost.

12. The method of claim 11 in which said step of determining a breakout of staffing costs and resources includes the steps of:

15 determining the percents by cost for each said gross cost of internal staff for each said function by dividing each corresponding internal staff gross cost by said summarized internal staff gross cost; and

20 determining the percents by cost for each said gross cost of staff for each said function by dividing each corresponding gross cost by said summarized staff gross cost.

13. The method of claim 12 in which said step of determining a breakout of staffing costs and resources includes the steps of:

25 determining the fully loaded cost of said internal and staff;
determining a normalized value for each said gross cost of internal staff for each said function to provide normalized internal staff gross costs by multiplying such gross cost by the corresponding said percents by cost for internal staff; and

30 determining a normalized value for each said gross cost of staff for each said function to provide normalized staff gross costs by multiplying said gross cost by the corresponding said percents by cost for staff.

14. The method of claim 13 in which said step of determining a breakout of staffing costs and resources includes the steps of:

summing said normalized internal staff gross costs with said normalized staff gross costs for each said function to derive corresponding staff gross costs for each said function.